



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

September 18, 2000

Joseph Levay
World Minerals, Inc.
15061 6th Street
P. O. Box 287
LaGrande, Oregon 97850

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, World Minerals, Inc.,
ML 41981 Project, S/027/089, Millard County, Utah

Dear Mr. LeVay:

Thank you for your Notice of Intention to Commence Small Mining Operations received by the Division on September 14, 2000. The proposed small mining ML 41981 project is located in the SW1/4 of Section 2, T24S, R9W SLBM, Millard County, Utah. This project was formerly noticed as an exploration project, file number E/027/054. **The exploration notice file # E/027/054 will now be closed and the file retired.** The year 2000 exploration permit fee, which was paid in July, will be transferred to this small mining application; therefore, no initial application fee will be required with this submission. Annual permit fees will be due on the Division's fiscal year (July 1) until the project is completely reclaimed and you have received written release from further reclamation obligations. **The small mining application is considered complete and no additional information is required by the Division at this time.**

The notice as stated, showed two mineral leases (ML 41981 and ML 42768). After a telephone conversation with Jonna of your staff, it was determined that the project would only entail operations on ML 41981. Therefore, we removed ML 42768 from this small mining notice. ML 42768 is still permitted under our exploration file E/027/013.

Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon state lands or mineral leases administered by the School and Institutional Trust Lands Administration (SITLA). Before conducting mining operations on these lands, you must provide written notification, meet bonding requirements, and obtain written approval from SITLA. They can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the

Page 2
Joseph Levay
S/027/089
September 18, 2000

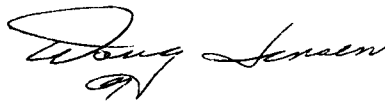
field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doug Jensen".

Doug Jensen
Senior Reclamation Specialist

jb
Enclosure
cc: Will Stokes, SITLA (ML-41981)
exploration file E/027/054
S27-89-apv